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SECRET.

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WAR CABINET, 159.

*Minutes of a Meeting of the War Cabinet held at 10, Downing Street, S.W., on  
Friday, June 8, 1917, at 11.30 A.M.*

Present :

The PRIME MINISTER (*in the Chair*).

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| <p>The Right Hon. the EARL CURZON of<br/>KEDLESTON, K.G., G.C.S.I., G.C.I.E.</p> <p>The Right Hon. the VISCOUNT MILNER,<br/>G.C.B., G.C.M.G.</p> | <p>The Right Hon. G. N. BARNES, M.P.</p> |
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The following were also present :—

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| <p>The Right Hon. the EARL of DERBY, K.G.,<br/>G.C.V.O., C.B., Secretary of State for<br/>War.</p> <p>Major-General Sir G. M. W. MACDONOGH,<br/>K.C.M.G., C.B., Director of Military<br/>Intelligence (for Minutes 4 to 9).</p> <p>The Right Hon. W. LONG, M.P., Secretary<br/>of State for the Colonies (for Minutes 1<br/>and 2).</p> <p>The Right Hon. Sir R. CHALMERS, G.C.B.,<br/>Joint Permanent Secretary, Treasury<br/>(for Minutes 1 and 2).</p> <p>SIR T. W. HOLDERNESS, K.C.B., K.C.S.I.,<br/>Permanent Under-Secretary of State to<br/>the India Office (for Minutes 1 and 2).</p> | <p>Admiral SIR J. R. JELlicOE, G.C.B.,<br/>O.M., G.C.V.O., First Sea Lord of the<br/>Admiralty (for Minutes 4 to 9).</p> <p>The Right Hon. SIR A. STANLEY, M.P.,<br/>President of the Board of Trade (for<br/>Minutes 1 to 3).</p> <p>The Right Hon. C. ADDISON, M.D., M.P.,<br/>Minister of Munitions (for Minutes 1 to<br/>3).</p> <p>SIR L. G. CHIOZZA MONEY, M.P.,<br/>Parliamentary Secretary, Ministry of<br/>Shipping (for Minutes 1 and 2).</p> |
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Lieutenant-Colonel SIR M. P. A. HANKEY, K.C.B., *Secretary.*

Captain CLEMENT JONES, *Assistant Secretary.*

Mr. T. JONES, *Assistant Secretary.*

Restriction of  
Shipping to the  
Atlantic.

1. THE War Cabinet had before them a letter from the First Lord of the Admiralty (Paper G.T.-950) (Appendix), in which he expressed doubt as to whether Minute 24 of War Cabinet 150 exactly conveyed what was either decided or approved at the Meeting on the 30th May. He therefore suggested that it would be wise to issue an amendment to the Minute, or an explanatory memorandum upon it.

The War Cabinet saw no reason to modify their previous decision. They considered, however, that this was not inconsistent with the suggestion contained in Sir Edward Carson's letter.

The War Cabinet therefore decided that—

Without altering the previous ruling of War Cabinet 150, Minute 24, an additional instruction should be issued to the effect that the Departments should review their probable purchases for, say, the next twelve months; they should see to what extent it would be possible to buy in America, without having to pay excessively; and should submit their purchasing programmes for the consideration of the Tonnage Priority Committee.

2. The War Cabinet also discussed the question of the desirability of communicating the above decision forthwith to the Dominions, India, and the Allies. Although the policy contemplated was one to which it was desirable to work as a standard, it was recognised that in practice the transfer of purchases would, for the present, be small, owing to the fact that North America would only be able to supply a portion of our needs, and that for this reason the effect would, for the present, be comparatively small. On the other hand, if information of this policy should leak out prematurely, prices might be raised against us in North America and the whole scheme frustrated. It was therefore decided:—

To postpone the communication of this policy to the Dominions, India, and the Allies until the further review of future purchases had been carried out and the probable developments of the policy could be foreseen; but that the Dominions, India, and the Allies should be fully informed before any definite steps were taken, and in such a way as to prevent them from feeling they had not been consulted.

Shortage of  
Railway Material.

3. The War Cabinet had before them two memoranda on this subject:—

- (a) By Sir A. Stanley (Paper G.T.-883).
- (b) By Lord Derby (Paper G.T.-964).

Lord Derby stated that the War Office were faced with an immediate need for not less than 560 locomotives, which could not be supplied by either the Belgians or the French. The American locomotives were unsuitable, owing to their size and the difference in their couplings. It therefore seemed that the only way out of the difficulty was to see if more locomotives could not be spared from the British railways.

Sir Albert Stanley pointed out that there was no pool of locomotives in this country upon which to draw; on the contrary, there was a serious shortage of materials for the necessary repairs and renewals of permanent-way, locomotives, carriages, and waggons for use on the railways in Great Britain.

The War Cabinet therefore decided—

To submit the question to a Committee composed of—

Lord Milner (*Chairman*),  
The Secretary of State for War,  
The Minister of Munitions, and  
The President of the Board of Trade,

who should investigate the shortage of railway material and report their decision to the War Cabinet in due course.

Purchase by  
European Allies in  
the United States  
of America.

4. The War Cabinet had before them a Memorandum by the Minister of Munitions (Paper G.T.-966) dealing with this subject. It was decided that—

The matter should be referred to Lord Curzon for his decision.

The Western Front  
The Attack on  
Messines Ridge.

5. The Director of Military Intelligence reported that the Messines attack had been successful. The whole of the objectives had been gained, with the exception of two small portions of trench. Our casualties were estimated at 8,572. We had captured 5,650 prisoners.

The Italian Front.

6. The Director of Military Intelligence reported that on the Carso the Austrians claimed to have taken 27,000 Italian prisoners since the beginning of the battle. The Austrians had attacked in the central and southern part of the front, and the Italians had been driven still further back in the San Giovanni area.

Gibraltar.

7. The Director of Military Intelligence reported that a telegram had been received from the Governor of Gibraltar explaining the reason why shells had fallen in Algeciras. An enemy submarine had been sighted, and 33 rounds had been fired. Some of the shells fired at the submarine had, after ricochet, fallen in Spain.

Greece.

8. The Director of Military Intelligence reported a telegram from General Phillips to the effect that the French Military Control Officers were dissatisfied with M. Zaïmis; that the French espionage agents had been assaulted; that the Venizelists and Royalists were in a condition bordering on panic; and that a revolt of the Royalists against the Venizelists might break out at any time in defence of the King.

Russia.

9. The Director of Military Intelligence referred to a telegram from Colonel Blair, at Petrograd, in which it was stated that M. Kerensky was convinced that an offensive was possible, and that General Brusiloff was going to decide the time when it might be commenced.

Submarines.

10. The First Sea Lord reported the sinking of an enemy submarine by a "Q"-ship off Queenstown. He made the usual statement of mercantile shipping losses.

Committee on  
Food Prices.

11. The War Cabinet, recognising that reasonable prices for essentials are an important factor in maintaining the *moral* of the nation during the stress of war, decided that—

A small Committee should be set up to examine into the question of keeping down prices of foodstuffs, and that Dr. Addison should be invited to take the chair. Members of the War Cabinet were invited by the Prime Minister to send him suggestions as to suitable members.

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Mrs. Pankhurst's  
Proposed Visit to  
Russia.

12. The Acting Secretary of State for Foreign Affairs was authorised by the War Cabinet—

To issue a passport to Mrs. Pankhurst to visit Petrograd if Mr. Ramsay Macdonald should decide to avail himself of the permission granted to him, but not otherwise. It was decided, however, that no passport could be granted to Miss Kenney.

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Cabinet Committee  
on War Policy.

13. In view of the recent important changes in the international situation, the War Cabinet considered that the time had come for reviewing our policy as a whole and forming fresh plans. They decided that—

A small Committee, composed as follows:—

The Prime Minister,  
Lord Curzon,  
Lord Milner,  
General Smuts,  
Sir Maurice Hankey (*Secretary*),

should investigate the facts of the Naval, Military, and Political situations, and present a full report to the War Cabinet.

2, Whitehall Gardens, S.W.,  
June 8, 1917.

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## APPENDIX.

G.T.-950.

## RESTRICTION OF SHIPPING TO THE ATLANTIC.

*(Copy of a letter from Sir E. Carson to Sir M. Hankey.)*

My dear Hankey,

June 5, 1917.

I HAVE been looking into the Minutes of War Cabinet No. 150, Item 24, Restriction of Shipping to Atlantic, and I am not quite sure that the wording, when interpreted by those who were not at the meeting, exactly conveys what was either decided or approved.

The Minute sets out that until the machinery for purchasing, &c., was *in working order* the Dominions, India, and the Allies were not to be informed, and also that each purchasing Department should at once *take the necessary preliminary steps* to procure its further supplies as far as possible from the United States and Canada and limit its commitments in other markets to the lowest possible level. This clearly can be read as authority for taking executive action—*i.e.*, to set up machinery and to take preliminary steps in the direction indicated. This cannot possibly be done without it immediately becoming known to the Dominions, India, and the Allies, who are not to be told!

The instructions that purchasing Departments are to limit their commitments in other markets to the lowest possible level might very legitimately be taken as authorising them to cancel long-running contracts, if they could do so upon reasonably favourable terms, and that would, of course, immediately give the policy away.

The preliminary steps to limit commitments in other parts of the world would be taken as an instruction not to continue contracts or place new contracts, and to divert our purchasing to America. This would have the immediate effect of running the market up against us, and would put America into the position of a favoured middleman. It would also have a very disturbing effect upon the financial situation, both in America and other parts of the world.

What I really think the War Cabinet intended was that the Departments should review their probable purchases for, say, the next twelve months, and should see to what extent it would be possible to divert them to America without having to pay excessively, and that they should report thereon, but not take any executive action at the moment. When their reports were received the matter could be further considered by the War Cabinet and by the Shipping Controller and others concerned, including the new organisation which is being set up in America, and then we should be in a position to see what could be done, and could consult as necessary with the Dominions, India, and the Allies.

I suggest that as this Minute must necessarily have had a fairly wide distribution, and, if interpreted as I think it can be interpreted, will get into many hands, it would be wise to issue an amendment of it or an explanatory amendment upon it.

(Signed) Yours sincerely,

EDWARD CARSON.

